

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

SEP 30 2009

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	FINDINGS OF FACT,
PETITIONER,)	CONCLUSIONS OF LAW,
)	RECOMMENDED ORDER AND
VS.)	ORDER
)	
GWG LIFE SETTLEMENTS, LLC,)	
)	CAUSE NO. C-1780
RESPONDENT.)	
)	

This matter came on for hearing on the 22nd day of September 2009, before Eric Dunning, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Michael C. Boyd. GWG Life Settlements, LLC ("Respondent"), was not present and was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was received, and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Respondent is a Delaware domiciled limited liability company licensed to conduct business in Nebraska as a viatical settlement provider, as evidenced in Exhibit 3.
2. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44-101.01 and 44-1101 et seq. Said jurisdiction and control have been present at all times material hereto.
3. On or about August 19, 2009, the Petition and Notice of Hearing were served upon the Respondent. A copy of the petition was served upon the Respondent's Registered Agent, CT Corporation Systems 301 S. 13th Street, Suite 500, Lincoln, Nebraska 68508 by certified mail,

return receipt requested. The petition was received by the Respondent's agent for service of process on or about August 24, 2009, as evidenced by Exhibit 1.

4. As evidenced by Exhibit 2, on April 14, 2009, the Director of the Nebraska Department of Insurance, Ann M. Frohman, signed an order adopting the Findings of Fact and Conclusions of Law in *State of Nebraska Department of Insurance vs. GWG Life Settlements, LLC*, Cause No. C-1753. In C-1753, Respondent was found to have violated Neb. Rev. Stat. §44-1104(1)(j), §44-1524, and §44-1525(11) and was subject to disciplinary action pursuant to Neb. Rev. Stat. §§44-1115 and 44-1529. Respondent was fined \$1,500. The fine was to have been paid within thirty (30) days after the adoption of the order by the director. Respondent was to fully cooperate with the Department's Market Conduct Division request for information regarding revisions of certain forms of the Respondent and Respondent's filing of those forms for approval with the Life and Health Division of the Department, by providing the Market Conduct Division with copies of those filed and approved form revisions. If the Respondent failed to comply within thirty (30) days after the adoption of the order by the director, they were to show cause for Respondent's failure to do so.

5. As evidenced by Exhibit 1, on or about April 14, 2009, the Order adopting the Findings of Fact and Conclusions of Law in *State of Nebraska Department of Insurance vs. GWG Life Settlements, LLC*, Cause No. C-1753 was served upon Respondent by mailing a copy to Respondent's Registered Agent, CT Corporation Systems, via certified mail return receipt requested. On or about April 20, 2009, the Domestic Return Receipt card attached to the Order was returned to the Department by the United States Postal Service indicating a delivery date of April 16, 2009.

6. As evidenced by Exhibit 3, the fine has not been paid as of the close of business on September 21, 2009.

7. As evidenced by Exhibit 2, the copies of those filed and approved form revisions have not been received by the Department's Market Conduct Division as of the close of business on September 21, 2009.

CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §44-101.01 and §44-44-1101 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Respondent knew or should reasonably have known that it was in violation of the act.

4. Respondent's conduct as alleged above constitutes a violation of Neb. Rev. Stat. §§ 44-1104(1)(b) and 44-1524, and is subject to disciplinary action pursuant to Neb. Rev. Stat. §§ 44-1115 and 44-1529.

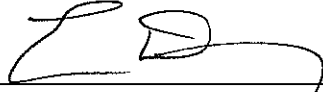
RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that that license held by Respondent shall be suspended until such time as Respondent complies with the Order in Cause Number C-1753 as of the date the Director of Insurance signs this Recommended Order. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling

the Respondent or the Department to make application for such further orders as may be necessary.

Dated this 23rd day of September 2009.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

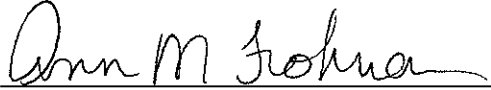

Eric Dunning, Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of *State of Nebraska Department of Insurance v. GWG Life Settlements, LLC*, Cause No. C-1780.

Dated this 30th day of September 2009.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE


ANN M. FROHMAN
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent's agent for service of process CT Corporation Systems 301 S. 13th Street, Suite 500, Lincoln, NE 68508, by certified mail, return receipt requested, on this 30th day of September 2009.

